

*Memorandum**B-203827-O.M.*

OCT 8 1981

TO : Director, CED

Harry R. Van Cleve

FROM : Acting General Counsel, OGC - Harry R. Van Cleve

SUBJECT: Relocation Benefits Under the Navajo and Hopi
Relocation Assistance Act of 1974 (Code 387112;
File B-203827)

On June 9, 1981, after an oral briefing of the Senate Appropriations Committee staff, your staff was asked to provide a written report on the results of their audit of the Navajo and Hopi Indian Relocation Commission (Commission). Subsequently, on June 11, 1981, Mr. Peter Bramble and Ms. Jacquelyn Williams of your staff met with Gary L. Kepplinger, Jeff Burnett, and Geraldine Rubar of my staff to discuss how to handle a question about the Commission's procedures for calculating relocation benefits and still meet the Appropriations Committee staff's July 6, 1981, reporting deadline. As we agreed to do at that meeting, we assisted in the development and OGC clearance of your report. Letter Report to Chairman, Subcommittee on Interior and Related Agencies, Senate Committee on Appropriations, B-203827, July 2, 1981. As we further agreed, we now respond in this memo to the question your staff presented us, which was not specifically addressed in the letter report.

The question concerns the procedure used by the Commission to calculate relocation benefits under section 15 of the Navajo and Hopi Relocation Assistance Act of 1974 (1974 Act), 28 U.S.C. §6401-14 (1976) which provides, among others, for the establishment of relocation standards consistent with those established in the implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), Pub. L. No. 91-646, 84 Stat. 1894. Under that Act, a household displaced as a result of a Federal program is only entitled to a replacement home benefit equal to the difference between the acquisition cost of the dwelling acquired by the Federal agency and the reasonable cost of a comparable replacement dwelling, not to exceed \$15,000. 42 U.S.C. §4623(a) (1976). However, your recent audit of the Commission disclosed that instead of compensating displaced Navajo and Hopi households in an amount computed similarly to replacement home benefits under the URA, the Commission was regularly reimbursing displaced households at the maximum amount authorized for relocation benefits under section 15 of the 1974 Act. Your staff points out that the provisions of section 15 of the 1974 Act are

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based on and substantially similar to the pertinent provision, section 203, ~~X~~ of the URA. Moreover, they note that section 15(c) ~~X~~ of the 1974 Act directs the Commission in its implementation of section 15(b) ~~X~~ to "establish standards consistent with those established in the implementation of the [URA]." 25 U.S.C. §640d-14(c) ~~X~~ (1976).

Based on the attached analysis of the language and legislative history of the 1974 Act, ~~X~~ the Commission's present practice conforms to the 1974 Act's ~~X~~ provisions governing the computation of relocation benefits. Indeed, based on our analysis, we would be constrained to object if the Commission were to require that replacement home benefits under section 15(b)(2) ~~X~~ of the 1974 Act be limited to the amount otherwise available under section 203(a)(1)(A) ~~X~~ of the URA.

We have no objection to your providing the Senate Appropriations Committee's staff a copy of this memorandum, with the attachment, should they desire one.

Attached is a more detailed analysis.

Attachment

cc: Mr. Eschwege, CED
Mr. Fitzgerald, OCR
Mr. Woods, CED
Ms. Williams, CED